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COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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IN REPLY PLEASE

REFER TO FILE: **EP-4**

May 20, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZE PUBLIC WORKS TO ACCEPT TRANSFER AND ADMINISTRATION OF
LOS ANGELES COUNTY RECYCLING MARKET DEVELOPMENT ZONE PROGRAM
ALL SUPERVISORIAL DISTRICTS
3 VOTES**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Consider the previously adopted Negative Declaration for this program, find that the program is *de minimus* in its effect on fish and wildlife resources, and find on the basis of the whole record before the Board that there is no substantial evidence the program will have a significant effect on the environment.
2. Authorize Public Works to accept the transfer of the Los Angeles County Recycling Market Development Zone (County RMDZ) and all future funds and unspent existing funds generated by membership dues from the County of Los Angeles Community Development Commission (Commission), effective July 1, 2004.
3. Authorize and direct Public Works to administer the County RMDZ program, effective July 1, 2004, on behalf of the County. At this time the County RMDZ includes all of the unincorporated areas in the County and the participating Cities of Burbank, Carson, Commerce, El Monte, Glendale, South Gate, and Vernon. Administering the program includes annual invoicing of the participating cities for membership dues, an amount currently

set at \$1,500 per city per year. There will be no impact of the County General Fund as a result of this transfer.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to authorize Public Works to accept the transfer and administration of the County RMDZ program from the Commission, effective July 1, 2004. Public Works and the Commission have determined that Public Works will be better able to effectively administer the program since Public Works already administers the County's waste diversion and recycling programs. The California Integrated Waste Management Board RMDZ program (California RMDZ) staff have been consulted and agree to this transfer.

Implementation of County Strategic Plan

This action is consistent with the County Strategic Plan Goal of Organizational Effectiveness as transferring the County RMDZ program to Public Works will complement the County's waste diversion and recycling programs administered by Public Works and result in greater effectiveness and efficiency.

FISCAL IMPACT/FINANCING

The annual cost for the administration of the program is estimated at \$16,000, and sufficient funds to cover the cost of this program have been included in the proposed Fiscal Year 2004-05 Solid Waste Management Fund budget. The cost of this program will be financed with membership dues from the participating cities and an annual contribution of \$5,000 from the Solid Waste Management Fund. There is no impact on the County General Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The California RMDZ program is a Statewide initiative of the California Integrated Waste Management Board (Waste Board) to help jurisdictions meet the waste diversion mandates of Assembly Bill 939 by providing an incentive for developing markets for recyclable materials. The goal of the program is to divert recyclable materials from landfill disposal to more productive use in the manufacture of new products, thus closing the recycling loop. The Waste Board has designated 40 RMDZ areas in the State. The County RMDZ currently includes all of the unincorporated areas and the participating Cities of Burbank, Carson, Commerce, El Monte, Glendale, South Gate, and Vernon.

The California RMDZ program provides access to long-term, low-interest financing; technical assistance; and free product marketing for firms that use waste products, such as paper, glass, and wood, to manufacture new products. Only firms located in a designated California RMDZ area are eligible to qualify for California RMDZ loans. Loan financing is provided directly and completely by the Waste Board which underwrites and services all loans—the County does not have any responsibility to process loan applications and does not provide any of the loan funds. To date, the County RMDZ program has been the most successful in the State and has provided \$11,162,500 in loans to 18 companies according to State reports.

The formation of the County RMDZ program was initiated by the Commission with the support and cooperation of Public Works as a waste diversion, recycling, and economic development tool. At this time, both the Commission and Public Works believe the program will be best served if the program were administered by Public Works as the RMDZ program would complement Public Works' ongoing waste diversion and recycling efforts. The Commission will continue to refer potential customers to the County RMDZ program as part of its economic development activities.

The Commission has reviewed and concurred with this letter and is also presenting a matter relating to a ten-year extension of the County RMDZ program for the approval of your Board on the current agenda.

This letter has been reviewed by County Counsel.

IMPACT ON CURRENT SERVICES

Authorization for Public Works to accept the transfer and administration of the County RMDZ program from the Commission will allow a continuation of a program with both environmental and economic development benefits. There will be no negative impacts on current services resulting from the requested transfer.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The Board adopted a Negative Declaration for this program on September 12, 1995, in compliance with the California Environmental Quality Act (CEQA) and State and County guidelines. The Commission has determined that transferring the program from the Commission to Public Works is not a change that would require a new environmental document. Therefore, the Board may consider the previously adopted Negative Declaration before approving the program transfer as recommended by Public Works. This project is exempt from California Department of Fish and Game fees pursuant to

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Section 711.4 of the California Fish and Game Code since it is *de minimus* in its effect on fish and wildlife resources. After Board approval, the Commission will file a Notice of Determination with the County Clerk.

CONCLUSION

Upon Board approval, please forward two approved copies of this letter to this Department.

Respectfully submitted,

JAMES A. NOYES
Director of Public Works

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cc: Chief Administrative Office
County Counsel